

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN STEVE VICK**, on March 14, 2001 at 8:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 595, HB 12, HB 575
Executive Action: HB 572, HB 425, HB 62, HB 122,
HB 376, HB 344, HB 456

Clayton Schenck, apologized for any possible confusion and to clarify the testimony of one of his staff members on House Bill 613. It appears that one of the staff members testified in the wrong place during the hearing on the previous day. The staff member had testified during the proponent testimony. He just wanted to make it clear that their office is non-partisan and that they were there to serve them with information and in no way advocated any certain bills. The bill had to do with improving the budget process and they had an interest in it for that reason. He thanked the committee for the time to clear up any confusion.

Chairman Vick asked if there were any questions for Clayton before he left. There were none, so Clayton left the meeting.

HEARING ON HB 595

Sponsor: REP. BRAD NEWMAN, HD 38, CENTERVILLE

Proponents: Betty Beverly, Montana Senior Citizens Association
Patti Keebler, Montana AFL-CIO
Sami Butler, Montana Nurses Association
Claudia Clifford, Insurance Commissioner

Opponents: Jan Faiks, Pharmaceutical Research and
Manufacturers Association
Keith Colbo, Montana Pfizer Pharmaceuticals
Jim Smith, Montana Pharmacy Association
Aidan Myhre, Montana Chamber of Commerce
Dennis Iverson, Pharmaceutical Research and
Manufacturers of America

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 2.1}

REP. BRAD NEWMAN, HD38, CENTERVILLE, introduced HB 595 and submitted information on Americans need lower drug prices. **EXHIBIT(aph58a01)**, **EXHIBIT(aph58a02)** and **EXHIBIT(aph58a03)**. He described HB 595 as a real policy question, referencing the fiscal note for the bill as having a price tag of \$15-\$16 million over the biennium. He expressed that as representatives, they had a responsibility to make every effort they can to make living in Montana affordable for Montanans. He stated that more than one quarter of Montana residents have no insurance coverage for prescription medication, and many more have inadequate coverage.

This is a particular hardship for those Montanans on fixed income. He stated that the bill would insert the State of Montana into the process by using the state's bulk purchasing power to negotiate substantial rebates and discounts with the pharmaceutical industry to benefit those whose incomes cannot keep up with the rising costs of prescription medication. He then gave a number of statistics regarding the high cost of prescription medication, and examples of what other states are doing to cope with the problem.

Proponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 19.3}

Betty Beverly, Montana Senior Citizens Association, expressed their concern about the high cost of prescription medication. She said that this affects not only senior citizens, but also young people. She pointed out that there were many bills across the United States addressing this same program. She reported that their drug survey showed that people are paying too much. She urged a do pass on the bill to obtain a fair price for prescription drugs.

Patti Keebler, Montana AFL-CIO, whose organization of over 50,000 Montana working families supports House Bill 595. She gave examples of people who have to make a choice between medicine and nutrition, or medicine and paying the power bill. She said that the concept of the bill was that of a force banding together to purchase necessary supplies at lower prices. She urged the committee to support the bill's proposals.

Sami Butler, Montana Nurses Association, whose group strongly supports the concept of this bill. She said that it was unconscionable that people would have to chose between filling a prescription and paying a power bill, and recounted examples of what, as a registered nurse, she has seen happen when patients skip medication because they don't think they can afford it. She said that she hoped the committee would support this bill.

Claudia Clifford, Insurance Commissioner, stated that this was an issue that they needed to address. Many, many Montanans across the state are concerned with the high cost of prescription drugs. She said that prescription drugs had the highest inflation rate in the health care industry, and it was a great concern to both the insured and the uninsured population in the state. She hoped that the committee would vote for a solution to this issue.

Opponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 26.5}

Jan Faiks, Pharmaceutical Research and Manufacturers Association, she applauded the committee for working on this bill. She pointed out a number of problems with the bill that she said violated both the Supremacy Clause of the US Constitution and in two ways violated the US Commerce clause. She submitted a Statement of the Pharmaceutical Research and Manufacturers of America. **EXHIBIT(aph58a04)**

Keith Colbo, Montana Pfizer Pharmaceuticals, said that they endorsed the testimony given by the PhRMA representative in problems related to HB 595. For that reason they opposed HB 595. They recognized the problem that the bill was intended to address. They thought that there were better solutions and were happy to participate with the committee in seeking those solutions.

Jim Smith, Montana Pharmacy Association, regretfully rose in opposition to HB 595. The pharmacists contended that the proposed formula would not necessarily result in lower prescription prices for people across the board, all the time. He referenced that another solution existed in HB 534, which was awaiting action in House Taxation Committee. That bill would extend a tax credit to senior citizens for their prescription drug purchases, and they supported that bill and thought that it was simple, practical way to get a grip on this problem.

Aidan Myhre, Montana Chamber of Commerce, rose in opposition to the bill for two primary reasons: government mandated price controls are not in the best interest of patient health, and price controls are basically government intrusion. She submitted a pamphlet entitled The Main Mistake. **EXHIBIT(aph58a05)**

Dennis Iverson, Pharmaceutical Research and Manufacturers of America, submitted testimony in the absence of Tim Stratton stressing two points: the impact on the small pharmacies and the concept that there is something wrong when you determine what therapy is going to be used by the price you pay rather than what the physician and symptoms indicate should be used. He submitted written testimony on behalf of Timothy Stratton, Ph.D.
EXHIBIT(aph58a06)

Questions from Committee Members and Responses:

{Tape : 1; Side : B; Approx. Time Counter : 12.4}

REP. MCCANN asked a question of **Jan Faiks** regarding the impacts from this state with regard to consequences on other states. **Jan Faiks** responded by further explaining the Supremacy Clause and constitutional implications. **REP. MCCANN** asked if the Supremacy Clause existed within the Constitution. **Jan Faiks** responded affirmatively, adding that all Federal laws are supreme to all state laws. She went on to further explain the Commerce Clause and the Supremacy Clause, giving examples.

REP. MCCANN addressed the Chairman saying that he accepted the argument on supremacy, but not on commerce. He then asked for further clarification on the fiscal note at some point in the meeting.

REP. DAVIES disputed **Jan Faiks'** interpretation of the violation of the supremacy clause. **Jan Faiks** gave more explanation of her position.

REP. DAVIES responded that he believed that the market was capable of handling the things proposed here and that the bill was a step towards socialized medicine. He then asked a question of **Dennis Iverson** about why the high prices and why people can buy prescription drugs cheaper in Mexico than here, and the relation of development costs to that. **Dennis Iverson** responded to his question and referenced price controls in Canada. **REP. DAVIS** asked for further clarification on price controls in Canada and Mexico as it relates to production costs and development costs. **Dennis Iverson** responded by pointing out that in Canada price control laws prohibit the recovery of development costs and only allow marginal profit over production costs.

REP. LINDEEN referred to the opening remarks about drug companies offering lower prices to bulk purchasers and she asked **Jan Faiks** why drug companies couldn't offer that same low price to individuals. **Jan Faiks** recounted that various bulk purchaser agreements requiring a certain number of volumes and certain number of users in a contract verses an individual purchase accounted for the difference in the cost. She stated that if Montana could find a private sector way of doing this, the drug companies would have no problem with it. **REP. LINDEEN** asked if someone could provide more information about the "Washington solution". **Jan Faiks** explained that they used the health plan for state employees and they included the senior citizens who needed drug benefit.

REP. FISHER directed a question to **Patti Keebler** regarding her statement that there were 220,000 families instead of 220,000 residents. **Patti Keebler** acknowledged her misstatement. **REP.**

FISHER questioned **Patti Keebler** about her statement that in the past people banded together to form coops and asked if the government was ever involved in that. **Patti Keebler** explained that sometimes the government was involved and cited examples. **REP. FISHER** asked if the members of the AFL-CIO had a plan to buy prescription drugs at a lower cost. **Patti Keebler** responded affirmatively. **REP. FISHER** asked if the senior citizens would be able to band with their organization to purchase prescription drugs at a lower cost, and thereby take the load off government. **Patti Keebler** responded that she didn't see a problem with that, but explained that their organization's support of the bill was to bring lower drug prices to all residents of the state who needed it. **REP. FISHER** asked again that if senior citizens and other residents who needed lower drug prices came to the AFL-CIO and asked, would they consider letting them join their organization to purchase drugs at the lower value. **Patti Keebler** responded by saying yes.

Closing by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 0.1}

REP. NEWMAN closed on HB 595.

HEARING ON HB 12

Sponsor: **REP. DICK HAINES, HD 63, MISSOULA**

Proponents: **Tom Livers, Department of Environmental Quality**
Mike Pichette, Montana Power

Opponents: **None**

Opening Statement by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 8.4}

REP. DICK HAINES, HD 63, MISSOULA introduced HB 12. He explained that the bill provides a method for state buildings to be analyzed for energy use, and where it is possible, to improve the use of energy and reduce its cost. The bill also spells out provisions for improvements.

Proponents' Testimony:

{Tape : 2; Side : A; Approx. Time Counter : 15.0}

Tom Livers, Department of Environment Quality, presented a brief overview of the bill and made himself available for questions by the committee. He urged the committee to support the bill.

Mike Pichette, Montana Power, stated that he was simply there to support the bill.

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 18.9}

REP. ROSALIE BUZZAS, asked **Tom Livers** for a general idea about the types of repairs, and on what buildings those repairs were being done. **Tom Livers** explained some projects they were looking at which included the Montana State Prison, the DPHHS building, the SRF building, and University of Montana. **REP. BUZZAS** asked if they had done any universal analysis of the State's buildings in terms of a strategic plan over a long period of time. **Tom Livers** stated that they originally tried to rank buildings in order of cost effectiveness, and went on to explain their procedures and findings. **REP. BUZZAS** asked for further clarification on the cost of energy. **Tom Livers** clarified that the cost he quoted was an annual amount at current prices.

REP. DAVE LEWIS commented that this was one program where the state acts like a private sector business. They analyze opportunity and if they can make an investment and save enough money to pay off the investment, they proceed and do it, which is unique to state government.

Closing by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 25.4}

REP. HAINES closed on HB 12.

EXECUTIVE ACTION ON HB 12

{Tape : 2; Side : A; Approx. Time Counter : 26.4}

Motion: **REP. HAINES** moved that **HB 12 DO PASS**. **Vote:** Motion carried unanimously. 18-0

HEARING ON HB 575

Sponsor: REP. ROSALIE BUZZAS, HD 65, MISSOULA

Proponents: Judy Smith, WORD in Missoula
Arlene Parisot, Workforce Development OCHE
Mary Caferro, WEEL

Opponents: None

Informational: Hank Hudson, DPHHS
Andy Poole, Department of Commerce

Opening Statement by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 26.7}

REP. ROSALIE BUZZAS, HD 65, MISSOULA introduced HB 575. She explained that this was an economic development bill, the purpose of which was to identify and link low income and disadvantaged workers with specific training for higher wage jobs.

Proponents' Testimony:

{Tape : 2; Side : B; Approx. Time Counter : 0.1}

Judy Smith, WORD submitted written testimony **EXHIBIT(aph58a07)**, a letter from George Bailey **EXHIBIT(aph58a08)**, and a letter from Dick King. **EXHIBIT(aph58a09)**

Arlene Parisot, Workforce Development for OCHE, informed the committee that a major portion of her job was to administer the Karl Perkins funds in the state. She expressed her view that the purpose of HB 575 was to strengthen human capital, to build economic stability, and to provide individuals with the skills they need to achieve self-sufficiency. She showed the need for trained workers based on a survey that was done, and provided the committee with information on the current program **EXHIBIT(aph58a10)**. She assured the committee that because of their experience with federal programs, they would ensure quality programs through evaluation. She described the individuals who would be targeted for this program, and the training that would be available. She also identified business partnerships, and offered their commitment to the partnerships.

Mary Caferro, WEEL, asked the committee for their support of this bill because it would have a positive impact on the low income population of Montana.

Informational:***{Tape : 2; Side : B; Approx. Time Counter : 16.7}***

Hank Hudson, DPHHS, expressed a couple of small issues with the bill. The part that talks about the TANF money, talks about the development of training programs and he felt that DPHHS would be limited to paying for the actual training, not for the administrative development of programs. The other issue is that this uses money for low income families. He pointed out that they might not be able to serve the same population of displaced homemakers served because some of those people don't meet TANF eligibility requirements.

Andy Poole, Department of Commerce, talked to the committee about Community Development Block Grants and pointed out the CDBG purpose **EXHIBIT (aph58a11)**. He explained that they could not grant funds to the Commissioner of High Education Office, they have to administer those funds through units of local government. It is a federal rule that comes with the CDBG funding, therefore the only eligible recipients of CDBG funding are units of local government. There are three local governments in Montana that cannot apply to the state for CDBG funding because they get their own money. Those being Billings, Missoula, and Great Falls because they all have populations over 50,000 people. The other entities that cannot apply for funding are the reservations, the Indian tribes. He went on to describe a number of job training projects they had been involved with. He requested that if the bill pass, an amendment be placed on the bill regarding the Department of Commerce that says they will allocate up to \$250,000 a year, not exactly \$250,000 year. He submitted information from The Montana Department of Commerce.

EXHIBIT (aph58a12)**Questions from Committee Members and Responses:*****{Tape : 2; Side : B; Approx. Time Counter : 26.8}***

REP. ART PETERSON asked **REP. BUZZAS** if an interagency agreement would be necessary and how that might be accomplished. **REP. BUZZAS** responded that she had been considering the same thing, and informed the committee that discussions were already talking place regarding that issue. She went on to explain what had been discussed and possible solutions. **REP. PETERSON** asked if the participation of community colleges and private colleges had been considered. **REP. BUZZAS** echoed his concern and indicated that they would not take away from these colleges, and others, but incorporate them in the process.

REP. PETERSON asked who determines who get the funds. **Arlene Parisot** responded that the recipient would have to be eligible to receive Karl Perkins funds and the same process would be used to determine eligibility. **REP. PETERSON** said that he thought private institutions were eligible. **Arlene Parisot** responded that only public institutions were eligible. She said that tribal colleges could obtain separate grants from Perkins for vocational education on their campuses.

Rep. Peterson said that he thought it was important for them to look carefully at the administration of the funds with regard to interagency cooperation and if possible involve the private and well as public institutions. **REP. BUZZAS** referred to Judy Smith for more information. **Judy Smith** added that their understanding was that there would be community partnerships which would be open to private educational institutions as well as public and that the Karl Perkins language would not be controlling other types of funding.

REP. LEWIS asked **Arlene Parisot** if this would help with funding for the dental hygienist program at Great Falls, and if they could earmark some money specifically for that program. **Arlene Parisot** she responded that under Perkins legislation they have state leadership dollars with required uses and permissive uses. This would include expanding or developing curriculum. **REP. LEWIS** reiterated that this would be possible then under either new curriculum or whatever. **Arlene Parisot** responded yes, except that state leadership dollars need to be competitively awarded. To target it to one specific program without a competitive process would be problematic.

REP. CHRISTINE KAUFMANN said that it appeared to her that the CDBG would not be receiving any new funding, that they already do this kind of funding and they would continue to do it. She asked **Judy Smith** if this was her understanding also. **Judy Smith** expressed that her view was that there would be community partnerships that will come forward and will be receiving more interest. She believed that with more interest, there would be more demand.

REP. KAUFMANN asked **Andy Poole** if the bill was passed, could the details of how they participate be worked out in conversations. **Andy Poole** responded by saying that he believed that they could construct a mechanism where an applicant, an eligible local government, could apply for money from CDBG for the purposes contemplated in the bill. **REP. KAUFMANN** referenced the small amendment that **Mr. Poole** had suggested and asked if it should be even more flexible than he had suggested. **Andy Poole** explained

in more detail about CDBG funding and said that there is always a job creation requirement, but he couldn't tell them that it would be for a training program. He went on to say that the bill could be changed to say up to \$400,000 because that would be the maximum grant amount allowed to be made to a local community in any one application.

REP. KAUFMANN requested that **Arlene Parisot** clarify the chart on Exhibit 10 where it showed there was about \$800,000 that was not awarded. **Arlene Parisot** responded that was the number of requests brought through the competitive process that they were not able to fund because they ran out of money.

REP. DAVE KASTEN asked **Mr. Poole** how many dollars were involved in helping the 55 people referenced in Exhibit 12. **Andy Poole** explained that it was a loan and grant combination to the company. The CDBG funds that were used was \$262,000. The total project was \$1.25 million. The City of Belgrade went \$250,000. There was a bank/SBA loan combination for \$490,000, and another bank loan for \$200,000, plus equity.

REP. DAVE KASTEN reiterated that the cost was \$1.25 million and they helped 55 people. **Andy Poole** responded that was correct.

REP. DAVE KASTEN asked **Arlene Parisot** how much was set aside for administrative costs. **Arlene Parisot** responded that under the Karl Perkins structure, only 5% or up to \$250,000, whichever if the greater of the full state allocation. The administrative cost is split between the Office of the Commission of Higher Education and the Office of Public Instruction.

REP. PETERSON asked **Ms. Parisot** what the mechanism was for the selection based on the competitive process. **Arlene Parisot** referred to a RFP (request for proposal) available through their office. The process outlines criteria required according to legislation, and also a special consideration to meet the needs of special populations, and geographic disbursement of funds across the state. She stated that field practitioners, that were not competing, were brought in to review the applications.

REP. PETERSON commented that it was then, a type peer review. He asked who the readers are that are currently selected. **Arlene Parisot** responded that under the current mechanism, a mechanism could be changed to fit the requirements of the bill. She then asked Rep. Peterson to restate his question. **REP. PETERSON** asked who the ultimate decision makers were and who were the readers. **Arlene Parisot** answered that the readers are people who are impacted by those dollars, people out in the communities and in the field. Those who in the past have either managed such grants or provided such training. They are not actual staff members

from the Office of Public Instruction or the Office of the Commission of Higher Education, so they are totally out of the administrative structure and the grants are awarded on a point system.

Closing by Sponsor:

{Tape : 3; Side : A; Approx. Time Counter : 20.4}

REP. BUZZAS closed on HB 575.

EXECUTIVE ACTION ON HB 572

{Tape : 3; Side : A; Approx. Time Counter : 26.4}

Motion: REP. CLARK moved that HB 572 DO PASS.

Motion: REP. CLARK moved that HB 572 BE AMENDED.

EXHIBIT(aph58a13)

Discussion:

Taryn Purdy, Legislative Fiscal Division, explains the amendment.

REP. MONICA LINDEEN asked if the allocation came from the orphan share after the amendment. **Taryn Purdy,** responded that the allocation would come from receipt of the tax before it was allocated to other uses, and would go to this account.

REP. DAVE LEWIS asked **Taryn** if the last schedule they got assumed that they were going to do the \$400,000 and they would still have money enough in the resource indemnity trust to pay for this and they were in balance. **Taryn Purdy** responded that what this would do was, if and when the RIT trust balance reaches \$100 million, none of the tax proceeds would go into the trust any more. Then this bill would kick in and take \$400,000 of those RIT proceeds before it was then distributed the way the law prescribes. She explained where the money would go.

REP. MATT MCCANN asked **Taryn** that if this bill was approved, would there be some time where RIT proceeds are unallocated. **Taryn Purdy** responded that the law prescribes that all the monies will still be allocated, and explained how the monies will be allocated.

REP. MCCANN asked for **Jane Hammond** to explain a complicated issue. **Jane Hammond** responded that she believed this was the LC

bill that he was carrying for the zero coupon bonds to finish completing the package of the securities that are required to meet the liability that they were not seeking to fulfill from the Federal government. She asked for clarification of what she was being asked to respond. **REP. MCCANN** responded that they were talking about HB 572. **Jane Hammond** explained how the trust balance was allocated.

Motion: **REP. CLARK** moved that **HB 572 BE AMENDED**. **Vote:** Motion carried 16-2 with Jayne and Kaufmann voting no.

Motion: **REP. CLARK** moved that **HB 572 DO PASS AS AMENDED**.

Discussion:

REP. BUZZAS questioned whether or not this absolves the development company from its liability in reclamation activity. **REP. MCCANN** said that was his understanding.

REP. LINDEEN concurred that this does not absolve the company from any liability for any impact. She felt that this was more of an insurance policy for the landowners.

REP. MCCANN asked **REP. LINDEEN** if there was any reasoning for setting aside separate dollars for them.

REP. LINDEEN asked if he meant the landowners. **REP. MCCANN** responded no, that he was asking about the coal bed methane protection account. He asked what the need was for the account. **REP. LINDEEN** responded that there had to be some kind of impact, and if there comes a point in time when they couldn't make sure the company was being responsible, she wanted to make sure there was a backup plan.

REP. MCCANN pointed out that he didn't believe that the landowners wanted this account set up. He voiced his contention that there was a lot of industry that impacted water and he believed that the coal bed methane industry came in and said they wanted their tax dollars set aside in their own account to address their needs.

REP. LEWIS talked about the start-up for impacts before revenue is generated. He said that his understanding was to set this money up in advance to help get the industry started in the state.

REP. VICK added that there are impacts to resource development and they wanted to address that up front, rather than after it is done and started.

REP. BUZZAS voiced her concern about damage caused by coal bed methane development. She asked Rep. McCann if this was going to in any way preclude the availability of similar funds for other sources of energy development. **REP. MCCANN** asked to expound on her question. **REP. BUZZAS** asked if they use the money for coal bed methane if that would make less money available for a period of time for other energy generation sources. **REP. MCCANN** rephrased his point to be that this community in resource extraction has come in and said that they wanted there own account set up. There have been a number of industries that have done this. He suggested that at some point in time this needed to be looked at as to how to divide up the pot of money.

REP. KASTEN said that he shared **REP. MCCANN'S** concerns and that they had looked for a way to expatiate the process and this bill would do that.

Motion: **REP. CLARK** moved that **HB 572 DO PASS AS AMENDED. Vote:**
Motion carried 16-2 with Jayne and Kaufmann voting no.

EXECUTIVE ACTION ON HB 425

{Tape : 3; Side : B; Approx. Time Counter : 17.9}

Motion/Vote: **REP. LEWIS** moved that **HB 425 BE TABLED. Motion**
carried 16-2 with Jayne and Tropila voting no.

EXECUTIVE ACTION ON HB 62

{Tape : 3; Side : B; Approx. Time Counter : 20.2}

REP. MCCANN asked if **REP. CALLAHAN** wanted to participate in some discussion on HB 62 before he made a tabling motion.

REP. CALLAHAN anticipated bringing some amendments forward to make the bill more acceptable. The amendments were not ready at this point so no action was taken on the bill.

EXECUTIVE ACTION ON HB 122

{Tape : 3; Side : B; Approx. Time Counter : 20.7}

Motion: **REP. MCCANN** moved that **HB 122 BE TABLED.**

Discussion:

REP. BUZZAS asked to speak about the bill.

REP. MCCANN withdrew his motion so that **REP. BUZZAS** could speak about the bill.

REP. BUZZAS said that she knew the bill was going to be tabled, but that she just wanted to make a point about this particular bill. Other states were actively working on similar programs and she wanted to go on record by saying that there has a lot of talk about these programs and hoped that they would not turn a deaf ear on this issue.

Motion: **REP. MCCANN** moved that **HB 122 BE TABLED**. **Vote:** Motion carried 12-6 with Buzzas, Callahan, Jayne, Kaufmann, Lindeen, and Tropila voting no.

EXECUTIVE ACTION ON HB 376

{Tape : 3; Side : B; Approx. Time Counter : 24.6}

Rep. Lindeen talked about the motion by Rep. Lewis the previous day to table HB 376, and said that she would offer an amendment on the floor to Senator Taylor's bill to make it look a little more like her bill.

Motion/Vote: **REP. LINDEEN** moved that **HB 376 BE TABLED**. Motion carried unanimously. 18-0

EXECUTIVE ACTION ON HB 344

{Tape : 4; Side : A; Approx. Time Counter : 0.1}

Motion: **REP. BUZZAS** moved that **HB 344 DO PASS**.

Discussion:

REP. LEWIS talked about HB 344. He stated that unless there was more discussion, he would make a motion to table HB 344.

REP. JAYNE asked for some clarification on the bill.

REP. LEWIS gave some clarification and asked **Karlene Grossberg** to respond.

Karlene Grossberg explained that the issues in HB 344 had been addressed in HB 2.

REP. LEWIS confirmed the issues addressed.

REP. BUZZAS discussed some of the points of the bill.

Hank Hudson was asked to explain a note that said there was a correction on the fiscal note.

Hank Hudson explained the correction of the fiscal note saying that it was not new spending, just a reordering of the money.

REP. VICK asked about another note that says that there was some kind of requirement for background checks on family members.

Hank Hudson said that the bill prohibits them from doing background checks on people living in the home that provide childcare services. They do not pay money to family members for childcare without background checks and this bill eliminated that requirement.

REP. LINDEEN asked if they would amend the bill so that they could do background checks, would they be agreeable to the bill.

Hank Hudson responded that they would be agreeable to the part that addresses childcare, but not the part that addresses the work requirements.

REP. KAUFMANN commented on the work requirements saying that she felt it was a policy issue and they should decide if they thought it was a good idea and if they wanted to ask the department to change their policy.

REP. FISHER spoke out against the bill saying that he didn't see anything wrong with someone having to work while they were going to school.

REP. JAYNE said that she supported this bill and that the committee should take into consideration that when you have more time to good to school, you can learn more skills to get you off of welfare.

Substitute Motion/Vote: **REP. LEWIS** made a substitute motion that **HB 344 BE TABLED. Substitute motion carried 12-6 with Buzzas, Callahan, Jayne, Kaufmann, Lindeen, and Tropila voting no.**

REP. VICK spoke about a Rules Committee meeting that was held the night before. He said that he, **REP. BUZZAS**, and **REP. WITT** had statements they would like to make regarding the meeting.

REP. BUZZAS wanted to reiterate and enter into the record some information on HB 2. She entered the corrected original documents **EXHIBIT (aph58a14)**, into the record.

REP. WITT expressed that he felt that the hearing for the Challenge Program was unfair, and went on to explain why. He told the committee members that if they had made decisions based on erroneous information, they should make changes on the floor of the House.

REP. VICK told the committee members that the outcome of the Rules Committee meeting was that there had been unintentional mistakes made. He said that he hoped that they had learned from this that the system is based a great deal upon trust. When they have information that are distributing, they have a big responsibility to make sure that the information is accurate. He then allowed people on the Rules Committee to comment about the statements made by himself, **REP. BUZZAS**, and **REP. WITT**.

REP. TROPILA said that he was at the meeting and that he agreed with everything that had been said. For a point of information, he asked **CHAIRMAN VICK** if they could change their vote in committee rather than on the floor.

REP. VICK responded that because the bill was no longer in committee that the change had to be done on the floor.

REP. BUZZAS wanted the record to be accurate and clarified that it was not a hearing, but executive action.

REP. LINDEEN made two comments to the committee saying she understood **REP. WITT'S** concern. Based on **CHAIRMAN VICK'S** comments regarding trust she hoped that they would take this as a reminder to do their best.

REP. WITT made one last response saying that he felt that he needed to step forward and respond because he was named in a letter received by the Chairman. He said that **REP. BUZZAS** was correct, the mistake was made in executive action, not a hearing.

EXECUTIVE ACTION ON HB 456

{Tape : 4; Side : A; Approx. Time Counter : 18.5}

Motion: **REP. TROPILA** moved that **HB 456 DO PASS**.

Motion: **REP. TROPILA** moved that **HB 456 BE AMENDED**.

Discussion:

REP. TROPILA passed out and explained the amendment.

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REP. VICK asked if they were basically changing it to a general fund appropriation.

REP. TROPILA responded affirmatively.

REP. VICK asked about the purpose of the 2005 biennium language.

REP. TROPILA called on **REP. GUTSCHE** to respond.

REP. GUTSCHE addressed the second part of the amendment that directs the department to request in its 2005 biennium budget income from the tobacco trust settlement fund.

REP. VICK said that it was kind of unusual to require a department to include funding for a future biennium and his question was why was that in there.

REP. GUTSCHE referred the question to **LOIS STEINBECK**.

Lois Steinbeck, Legislative Fiscal Division, explained that her understanding of the amendment was to keep it as close to the original intent as possible that the funding come out of the tobacco trust fund. In order for the legislature to impose its policy will in how future income from the tobacco trust will be spent, this would be a mechanism.

REP. LEWIS asked if the effect of the language was simply that they had to request the general fund budget funding for this program next time.

Lois Steinbeck responded that this was correct, that it would come out of the tobacco trust.

REP. BRUEGGEMAN expressed concern about the accuracy of the amounts.

REP. FISHER asked if **REP. LEWIS** had a proposal to fund this out of the interest of the tobacco trust fund.

REP. LEWIS stated that his amendment was to fund it from the tobacco trust fund. After their discussion he was asked to withdraw the amendment and **REP. TROPILA** withdrew his do pass motion so that they could have further discussion on the bill. He said that he still had his amendment and will offer it after the discussion.

REP. FISHER commented that he felt it was the cleanest way to use the fund.

REP. LINDEEN recalled the previous discussion saying that the bill sponsor was going to look for alternative funding for the bill so that they would not have to use any principal from the tobacco trust.

REP. KAUFMANN commented on the idea that they are betting on money that they are not sure is coming in. She asked **Lois Steinbeck** for clarification on **REP. BRUEGGEMAN'S** comment regarding \$450,000 estimate.

Lois Steinbeck stated that was the estimate provided by the Department of Revenue.

REP. BUZZAS commented on the estimates and the impact of the amendments on the bill.

Motion: **REP. TROPILA** moved that **HB 456 BE AMENDED**. **Vote:** Motion carried 11-7 with Brueggeman, Davies, Fisher, Kasten, Lewis, Vick, and Witt voting no.

Motion: **REP. TROPILA** moved that **HB 456 BE ADOPTED AS AMENDED**.

Discussion:

REP. KASTEN wanted to remind everyone what happened with mental health. He said that he could not support the bill at 200% of poverty.

REP. BUZZAS addressed his concerns. She said that they could not go to 150% of poverty and get federal funds. She encouraged a do pass.

REP. BRUEGGEMAN reflected that when he proposed the amendment his understanding was from the Department of Revenue that this would raise \$250,000. There was no projection for \$150,000. \$250,000 is what the Department believed it would see over the biennium.

REP. MCCANN asked **REP. BRUEGGEMAN** what the number was.

REP. BRUEGGEMAN said it was \$250,000. He went on to clarify the heart of the issue, whether or not to fund it out of the General Fund.

REP. VICK spoke out to clarify that it is General Fund, and made an offer for committee members to reconsider their action on the amendment if this was not clear prior to their action.

REP. LEWIS made a motion to reconsider action taken on the amendment.

REP. BUZZAS said that Lois Steinback had gone to make a call and verify the numbers. She asked **REP. LEWIS** to withhold his motion until they received that information.

Rep. Vick said that he did not have a problem with that, but added that no matter how they do it, it is still General Fund.

REP. PETERSON asked for clarification of rules.

Motion: **REP. CLARK** moved that the **AMENDMENT** to **HB 456 BE RECONSIDERED**.

Discussion:

REP. LINDEEN said that she thought the motion was out of order because there was another motion on the table.

REP. VICK explained that they could have two motions at the same time. **REP. KAUFMANN** said that they had the discussion and that action was taken and that she didn't think it was logical for people to be confused about whether or not it was General Fund.

REP. JAYNE said that she was not confused about where the money was coming from, but what they were waiting on was how much money they were talking about.

REP. TROPILA asked if **Sue Miller** would explain something while they were waiting. He asked her to specifically tell what this money would do and how much it would bring in match.

Sue Miller, Program Manager for the Department of Health and Human Services Breast and Cervical Cancer Program, said that the money would provide treatment funds for women who have been screened in the Breast and Cervical Health Program, who have under that program been diagnosed with breast and/or cervical cancer or a pre-cancerous condition. They would then become part of a Medicaid eligible group and they would be eligible for those treatment funds under Medicaid. She said that how much money would be brought into the department would depend upon how many women were diagnosed and how much the cost of those treatments were.

REP. VICK explains the vote for or against the reconsider motion.

Motion: **REP. CLARK** moved that the **AMENDMENT** to **HB 456 BE RECONSIDERED**. **Vote:** Motion **failed 9-9 with Brueggeman, Clark,**

Davies, Fisher, Kasten, Lewis, Pattison, Vick, and Witt voting aye.

Discussion:

REP. MCCANN said that he thought it was critical that they do fund this program whether they funded it out of General Fund or out of the tobacco trust fund.

Lois Steinbeck said that she talked with **Jeff Miller** and he said \$200,000 to \$250,000 a year.

REP. BUZZAS stressed to the committee that they needed to fund this now because later would be too late to save some people's lives.

REP. LEWIS said that he was going to vote for the bill.

REP. TROPILA said that he wished **REP. BRUEGGEMAN** would be as wise as **REP. LEWIS**.

Motion: **REP. TROPILA** moved that **HB 456 BE ADOPTED AS AMENDED.**

Vote: Motion **carried 17-1 with Kasten voting no.**

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. STEVE VICK, Chairman

PAULA BROADHURST, SECRETARY
SUSIE HAMILTON, TRANSCRIBER

SV/PB

EXHIBIT (aph58aad)